

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division
Bureau of Medicaid Policy and Health System Innovation

Project Number:	1520-Eligibility	Comments Due:	April 30, 2015	Proposed Effective Date:	June 1, 2015
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Policy Subject: Estate Recovery Disregards in Medicaid

Affected Programs: Supplemental Security Income (SSI)-Related Medicaid

Distribution: Bridges Administrative Manual (BAM) and Bridges Eligibility Manual (BEM) Holders

Policy Summary: The purpose of this policy is to disregard resources from estate recovery equal to the amount of the Long-Term Care (LTC) insurance policy under the LTC partnership paid to, or on the behalf of, an individual.

Purpose: To encourage persons to financially prepare for the possibility of needing nursing home care.

Proposed Policy Draft

Michigan Department of Community Health
Medical Services Administration

Distribution: Bridges Administrative Manual (BAM) and Bridges Eligibility Manual (BEM) Holders

Issued: May 1, 2015 (Proposed)

Subject: Estate Recovery Disregards in Medicaid

Effective: June 1, 2015 (Proposed)

Programs Affected: Supplemental Security Income (SSI)-Related Medicaid

Under section 1917(b)(1)(C)(ii) of the Social Security Act and the Deficit Reduction Act of 2005, (Public Law 109-171) states are permitted to exempt Long-Term Care (LTC) benefits from estate recovery if the state has a State Plan Amendment (SPA) that provides for a qualified state LTC insurance partnership. A qualified state LTC partnership provides for the disregard of resources at the initial eligibility determination when determining estate recovery obligations, in an amount equal to the LTC insurance benefits paid to, or on behalf of, an individual who has received Medicaid.

The State of Michigan has received State Plan approval from the Centers of Medicare and Medicaid Services and intends to implement a LTC Partnership policy effective June 1, 2015.

The insurance benefits that will be disregarded include benefits paid as a direct reimbursement of LTC expenses, or as a per diem benefit. A LTC partnership policy does not have to be exhausted before the disregard of resources can be applied. The amount that is disregarded at the initial eligibility determination is the same amount that will be protected during estate recovery.

There are no changes to other policies that affect Medicaid payment for nursing facility services or other LTC services (home equity, divestment, trust and annuity policy, etc.).

Long-term care insurance partnership policies must meet certain conditions under the insurance code to qualify as a partnership policy; these conditions are under the authority of the Department of Insurance and Financial Services (DIFS). Changes to the insurance code will be forthcoming from DIFS.